Regular Session, 2006

HOUSE BILL NO. 389

BY REPRESENTATIVES TRICHE, ARNOLD, BALDONE, CURTIS, DARTEZ, FAUCHEUX, HEATON, KENNEY, AND WALSWORTH AND SENATOR **DUPRE** 

 $TAX\,EXEMPTIONS/HOMESTEAD:\,(Constitutional\,Amendment)\,Extends\,the\,homestead$ exemption to property owned in a revocable living trust

1	A JOINT RESOLUTION
2	Proposing to amend Article VII, Section 20(A)(3) and (5) of the Constitution of Louisiana,
3	relative to the extension of the homestead exemption to trusts; to provide that the
4	exemption shall extend to revocable and irrevocable trusts under certain
5	circumstances; to provide for submission of the proposed amendment to the electors;
6	and to provide for related matters.
7	Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
8	elected to each house concurring, that there shall be submitted to the electors of the state of
9	Louisiana, for their approval or rejection in the manner provided by law, a proposal to
10	amend Article VII, Section 20(A)(3) and (5) of the Constitution of Louisiana, to read as
11	follows:
12	§20. Homestead Exemption
13	Section 20.(A) Homeowners.
14	* * *
15	(3) The homestead exemption shall extend to property owned by an
16	irrevocable a trust when the principal beneficiary or beneficiaries of the trust are the
17	settlor or settlors of the trust and were the immediate prior owners of the homestead,
18	and the homestead is occupied as such by a principal beneficiary. The provisions of
19	this Subparagraph shall apply only to property which qualified for the homestead

## Page 1 of 3

CODING: Words in struck through type are deletions from existing law; words underscored are additions.

HB NO. 389

1	exemption immediately prior to transfer, conveyance, or donation in trust or which
2	would have qualified for the homestead exemption if such property were not owned
3	in trust.
4	* * *
5	(5) The homestead exemption shall extend only to a natural person or
6	persons and to an irrevocable a trust created by a natural person or persons, in which
7	the beneficiaries of the trust are a natural person or persons provided that the
8	provisions of this Paragraph are otherwise satisfied.
9	* * *
10	Section 2. Be it further resolved that this proposed amendment shall be submitted
11	to the electors of the state of Louisiana at the statewide election to be held on September 30,
12	2006.
13	Section 3. Be it further resolved that on the official ballot to be used at said election
14	there shall be printed a proposition, upon which the electors of the state shall be permitted
15	to vote FOR or AGAINST, to amend the Constitution of Louisiana, which proposition shall
16	read as follows:
17	To extend the homestead exemption to property owned by a revocable trust,
18	in addition to the existing application to property owned by an irrevocable
19	trust. (Amends Article VII, Section 20(A)(3) and (5))

## **DIGEST**

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

HB No. 389 Triche

**Abstract:** Extends the homestead exemption to revocable trusts.

Present constitution extends the homestead exemption to irrevocable trusts when the principal beneficiary or beneficiaries of the trusts are the settlor or settlors of the trusts and were the immediate prior owners of the homestead, and the homestead is occupied by a principal beneficiary.

<u>Proposed constitutional amendment</u> removes the restriction that the trust be irrevocable.

<u>Present constitution</u> extends the homestead exemption to a natural person or persons and to an irrevocable trust created by a natural person or persons, in which the beneficiaries of the trust are a natural person or persons.

## Page 2 of 3

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<u>Proposed constitutional amendment</u> removes the restriction that the trust be irrevocable.

Provides for submission of the proposed amendment to the voters at the statewide election to be held September 30, 2006.

(Amends Const. Art. VII, §20(A)(3) and (5))

## Summary of Amendments Adopted by House

House Floor Amendments to the reengrossed bill.

1. Removes the restriction that the trust created by a natural person or persons be irrevocable.